[Mr. Chairman] [31st January 1961

I have further to announce to the House that I have received a message from the Hon. Speaker, Madras Legislative Assembly, transmitting a copy of the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961) as passed by the Legislative Assembly on the 28th January 1961 and signed by him for the recommendations of the Council. The Hon. Speaker has certified that the Bill is a Money Bill within the meaning of Article 199 of the Constitution of India.

III. CALLING ATTENTION TO FALL IN PRICES OF "BLEEDING MADRAS".

SRI S. K. SAMBANDHAN : Sir, I would like to call the attention of the Hon. the Minister for Industries to a matter of urgent public importance, viz., the fall in prices of exportable handloom cloth variety known as "Bleeding Madras" due to the cancellation of orders by importers in America and the consequent accumulation of heavy stocks with weavers and master weavers and further consequence of unemployment among weavers.

THE HON. SRI R. VENKATARAMAN : Sir, due to the efforts of the Handloom Export Organization at the Chicago Fair in 1959 there was a phenomenal increase in the demand for the Handloom Fabric Bleeding Madras or India Madras. The Handloom Export Organization booked orders for substantial quantities. Subsequently, certain private merchants were also able to secure heavy orders from American firms. This large-scale demand produced a steep and unprecedented rise in the market price for this fabric, the prices spiralling from Rs. 1·75 per yard in June 1959 to as much as Rs. 3·20 per yard in October 1959. The high prices tempted weavers who were producing Madras Handkerchiefs and lunghis to switch over to Bleeding Madras. Private exporters in their anxiety to meet the demand sent out inferior cloth of poor construction, faulty design and improper dyeing. There was increasing consumer resistance in the United States of America produced by the decline in the quality of cloth exported. The American importers cancelled some of the large orders. These developments brought about a steep fall in price in December 1959. Since then, there has been accumulation of stocks of Bleeding Madras which has caused considerable hardship to the weavers. The stagnant stocks are estimated to be about 16 lakhs of yards.

The Government were anxious that some assistance should be afforded to relieve the suffering of weavers. In July 1960 they sanctioned a loan of Rs. 5 lakhs to the Madras Handloom Weavers' Co-operative Society for advancing to weavers and master weavers up to 50 per cent of the value of stocks of Bleeding Madras pledged with the society. The Government also agreed to subsidise 50 per cent of the cost of staff employed in the working of the scheme of advances. The Government have since deferred the scheme as the Government of India have under consideration the question of giving relief to the weavers to enable them to dispose of the accumulated stocks.

31st January 1961] [Sri R. Venkataraman]

In order to explore the possibilities of finding alternative markets for these accumulated stocks, the Government sponsored a delegation of representatives of the Madras State Handloom Weavers' Co-operative Society and leading producers of handloom cloth to East Asian countries. The Director of Handlooms was permitted to serve as a member of the Delegation. The Delegation which left India on 2nd September 1960 visited Colombo, Singapore, Kualalumpur, Penang, Saigon, Hongkong, Bangkok and Rangoon and returned on 30th September 1960. The Delegatoin has submitted a report. It is seen from the report that there is scope for sales of Bleeding Madras only as ready-made garments. Hongkong, Singapore and Colombo are potential markets for these ready-made garments. The Delegation's recommendations are under active consideration of the Government.

Meanwhile, the Government have urged the Government of India to come to the rescue of the Weavers by purchasing the stocks of Bleeding Madras through the Handloom Export Organisation. The Government of India have informed this Government that the question of affording some relief to the weavers to enable them to dispose of the accumulated stocks is under consideration. I hope that the Government of India will see their way to agree to this proposal made by this Government.

IV. GOVERNMENT BILLS.

(1) THE MADRAS CINEMAS (REGULATION) AMENDMENT BILL, 1960 (L.A. BILL NO. 32 OF 1960).

* THE HON. SRI M. BHAKTAVATSALAM : Sir I move—

"That the Madras Cinemas (Regulation) Amendment Bill * 1960 (L.A. Bill No. 32 of 1960), as passed by the Legislative Assembly, be taken into consideration."

Sir, I shall briefly explain the main provisions of the Bill. Condition 16 of the conditions of licence for the exhibition of cinematograph films under the Madras Cinemas (Regulation) Act, 1955 (Madras Act IX of 1955) provides that the licence shall be subject to cancellation or suspension for the breach of any of the conditions specified in it. As there is no specific provision in the said Act in this behalf it is proposed to amend the Act so as to empower the licensing authority to revoke or suspend a licence in cases where such licence has been obtained by fraud or misrepresentation or where the licensee has failed to comply with the provisions of the Act or the rules made thereunder or any of the conditions or restrictions upon or subject to which the licence was granted.

Sir, under the existing provisions of the Act any person aggrieved by the decision of the licensing authority refusing to grant a cinematograph licence or refusing to approve any transfer or assignment thereof under section 5 or refusing to grant permission under section 5-A, has a right of appeal against such decision.

* Printed as Appendix II on page 272 infra.